

House passes bill that would authorize divestment from firms that heavily invest in Iranian energy

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WASHINGTON, DC – Congressman Joe Sestak (PA-07) voted today for H.R. 1327, the Iran Sanctions Act. This bill provides federal authority to state and local governments to divest their assets from, or prohibit investment of their assets in, any company that does the following:

Invests \$20 million or more in the energy sector in Iran;

Provides oil or liquefied natural gas tankers or products used to construct or maintain oil or natural gas pipelines in Iran; or

Extends \$20 million or more in credit to be used for investment in the energy sector in Iran.

The bill also provides that if state and local governments have already enacted measures to divest from or prevent investment in Iran's energy sector, they would be authorized to enforce those measures.

This legislation also prohibits lawsuits against registered investment companies or their asset managers for breach of fiduciary responsibility solely on the basis that the investment company has divested from or avoided investing in Iran's energy sector.

Following passage, the Congressman had the following response:

"President Obama's strategy of engagement draws upon a comprehensive approach to national security and clearly has more potential than the status quo of just harsh rhetoric and threatened unilateral action maintained over the past eight years," the Congressman continued. "While Iran cannot be permitted to acquire nuclear weapons -- as this would pose a direct threat to our forces in the region and our ally Israel while potentially triggering a regional arms race -- I am encouraged by the diplomatic progress the Obama Administration has demonstrated in recent weeks, while still having the military option on -- but at the back of -- the table.

"I support the Administration's diplomatic approach, particularly in view of a 2007 finding of the National Intelligence Estimate, by our intelligence community. That report found that "Tehran's decisions are guided by a cost-benefit approach rather than a rush to a weapon irrespective of the political, economic, and military costs." The legislation passed today ensures that the "benefit" offered to Iran by the P-Five Plus One nations this month of allowing Iranian uranium to be exported to Russia and France for enrichment for medical uses is matched by clear "costs" for continuing towards nuclear weapon development.

"While I believe Iran should be given time to continue to demonstrate the commitment to engagement it has signaled, agreeing to open its secret nuclear facility in Qom most recently, I found this bill to be an acceptable tool in the larger effort of halting Iranian nuclear proliferation. It is permissive in nature, rather than an inflexible mandate, and in particular, it is noteworthy that under a sunset clause, the bill's provisions terminate 30 days after the president certifies to Congress that Iran has ceased its support for terrorism and is no longer designated as a state sponsor of terrorism, or has ceased the pursuit of nuclear, biological and chemical weapons.

"In sum, this measure demonstrates the commitment of Congress to hold Iran accountable to its obligations under the Nuclear Non-Proliferation Treaty and I was proud to support it."